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August 21, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC SOCIAL SERVICES: RECOMMENDATION TO APPROVE
AMENDMENT NUMBER TWO TO CHANGE THE PAYMENT STRUCTURE OF THE
CONTRACTS FOR THE HOUSING LOCATOR SERVICES FOR HOMELESS CALWORKS
WELFARE-TO-WORK FAMILIES
(ALL DISTRICTS – 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chairman to sign the attached Amendment Number Two to amend the existing payment structure to allow for payment of a referral fee in addition to the placement and retention fees under the Housing Locator Services contracts with Del Richardson & Associates (DRA), and Weingart Center Association (WCA) effective August 21, 2007, or the day after Board approval, whichever is later, through July 31, 2008.

Notwithstanding a reduction in the overall existing placement and retention fees by 4.2 percent, the addition of a referral pay point potentially increases contract costs. To mitigate increased costs beyond the current maximum contract level, referral activity will be adjusted at the point the contract costs reach the 75 percent expenditure level.

PURPOSE/JUSTIFICATION OR RECOMMENDED ACTION

The purpose of the request is to amend the current Housing Locator Services contracts' payment structure and add new requirements for the contractor to complete an assessment of the barriers that may preclude families' placement into affordable housing and to update information to the housing assistance database to track and archive information pertinent to the housing assistance provided to the family. Housing Locator Services are provided to

homeless CalWORKs Welfare-to-Work (WtW) families, to assist them in locating affordable permanent rental housing in residential neighborhoods, to negotiate rental agreements with landlords, with transportation to rental locations, and to move into affordable rental housing within 60 calendar days from the referral date.

The revised payment structure will better support the contractors' operations and strengthen their capacity to achieve the objectives of the project. The proposed payment structure will change DRA's and WCA's existing payments as follows:

Del Richardson & Associates

- **From:** \$2,000 per successful placement fee and \$1,000 one-time retention fee (50 percent of the Placement fee) per family remaining in the same rental housing unit for six consecutive months.
- **To:** \$250 per referral fee if referred family appears for appointment; \$1,750 per successful placement fee; and \$875 one-time retention fee (50 percent of the placement fee) per family remaining in same rental housing for six consecutive months. This change will result in a reduction of \$125 or 4.2 percent in the overall pay point fees.
- The one-time Landlord Assistance fee of \$750 per family remaining in the same rental housing unit for six consecutive months will remain the same.

Weingart Center Association

The amounts of WCA's payments are less than DRA's due to negotiated payment structure during the initial contract award. Notwithstanding, the change reflects an equivalent payment reduction of 4.2 percent.

- **From:** \$1,421 per successful placement fee and \$711 one-time retention fee (50 percent of the placement fee) per family remaining in same rental housing unit for six consecutive months.
- **To:** \$178 per referral fee if referred family appears for appointment; \$1,243 per successful placement fee; and \$622 one-time retention fee (50 percent of the placement fee) per family remaining in same rental housing unit for six consecutive months. This change will result in a reduction of \$89 or 4.2 percent in the overall pay point fees.

- The one-time landlord assistance fee of \$750 per family remaining in same rental housing unit for six consecutive months will remain the same.

Contractors will be required to adhere to new requirements. Provisions added under Amendment Number Two include:

- A requirement for contractors to provide the Department of Public Social Services (DPSS) with an assessment of the barriers that may preclude the family's placement into affordable permanent housing within 60 calendar days from the referral date. The purpose of the assessment is to determine whether DPSS can provide additional services (e.g., substance abuse or mental health services, etc.) to ameliorate barriers identified by the contractors.
- The contractors must update CalWORKs family information through data entry to the Permanent Housing Assistance Services (PHASE) database to capture the results of the face-to-face appointment with the family.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan Goal #5: Children and Families' Well-Being: to improve the well-being of children and families in Los Angeles County as measured by the achievements in the five outcome areas adopted by the Board: good health; economic well-being; safety and survival; social and emotional well-being; and educational/workforce readiness.

FISCAL IMPACT/FINANCING

The maximum annual cost for both contracts is \$4,893,277. Funding for Housing Locator Services for homeless CalWORKs WtW families has been included in the Department's FY 07-08 Adopted Budget. There is no additional Net County Cost (NCC) after the required CalWORKs Maintenance of Effort (MOE) is met.

The contract for DRA is estimated at \$4,365,250 annually for Housing Locator Services for the homeless CalWORKs WtW families.

The contract for WCA is estimated at \$528,027 annually for Housing Locator Services for the homeless CalWORKs WtW families.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Amendment Number Two will commence on August 21, 2007, or the day after Board approval, whichever is later, and will continue through July 31, 2008.

Both contractors are required to provide Housing Locator Services for homeless CalWORKs WtW families such as locating affordable permanent rental housing in residential neighborhoods, negotiating rental agreements with landlords, transporting homeless families to rental locations, and moving homeless families into affordable rental housing within 60 calendar days from the referral date. The contractors will be allowed an additional 60 calendar days, not to exceed 120 calendar days from the referral date, to continue working with the homeless CalWORKs WtW families pending housing placement on a case-by-case basis.

These contracts will not result in the unauthorized disclosure of confidential information and will be in full compliance with Federal, State and County regulations. The contracts include performance outcome measures that will measure the contractors' performance. The County may terminate these contracts for convenience with 30 calendar days written notice. The contracts also contain provisions that limit the County's obligation if funding is not appropriated by your Board for each year of the contracts.

The Housing Locator Services contracts which require Housing Locator resources to serve the homeless CalWORKs WtW families are not routinely performed by County staff. These contracts are non-Prop A contracts.

The contract has been approved as to form by County Counsel.

CONTRACTOR PERFORMANCE

The Contract contains two performance outcome measures that will measure the contractor's ability to place homeless CalWORKs families into permanent affordable housing.

These measures are as follows:

- For each Service Planning Area (SPA), contractors are to maintain a minimum of 75 percent placements of the quarterly average placement rate for all eight SPAs.
- Once the CalWORKs WtW families are placed in affordable housing, contractors are to maintain 80 percent of the placed CalWORKs WtW families in permanent affordable housing for six consecutive months.

Honorable Board of Supervisors
August 21, 2007
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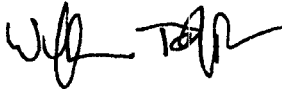
IMPACT ON CURRENT SERVICES

The award of these contract amendments will not infringe on the role of the County in relationship to its residents, and the County's ability to respond to emergencies will not be impaired.

CONCLUSION

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter and four original signed copies for each of the Amendments to the Director of DPSS.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:BY
GP:JAB:lbm

Attachments (2)

c: County Counsel
Executive Officer, Board of Supervisors